UF UNIVERSITY of FLORIDA

Warrington College of Business Administration
Department of Finance, Insurance & Real Estate

Mahendrarajah Nimalendran
John H. and Mary Lou Dasburg Chair
Professor of Finance

321 Stuzin Hall
PO Box 117168
Gainesville, FL 32611-7168
352-392-9526
352-392-0301 Fax
Mahen.nimalendran@warrington.ufl.edu

AREAS OF INTEREST

- Market microstructure
- High frequency trading (HFT) and markets
- Microstructure of cryptocurrency markets
- Derivatives
- Investments
- ETFs and mutual funds
- Hedge funds
- Econometrics and empirical methods in finance
- Big data, machine learning, AI, and securities markets

EDUCATION

- Ph.D., Business Administration (Finance), University of Michigan, August 1990.
- MBA., University of Michigan, May 1986.
- MSE., University of Hawaii, May 1978.
- B.Sc. Engineering, University of Peradeniya, Sri Lanka, 1973.

HONORS AND OTHER APPOINTMENTS

- University of Florida, Term Professorship Award: 2017-2020.
- Graduate Coordinator (Ph.D. Program in Finance): 2013-present
- John H. and Mary Lou Dasburg Chair and Professor of Finance, September 2011-Present
- Visiting professor, University Catholica del Sacro Cuore, Milan, Italy, October 2015
- The Stuart Greenbaum Award for the "Most Significant Paper" Published in JFI during 2013. "The 2007-09 Financial Crisis and Bank Opaqueness," with Mark Flannery and Simon Kwan, *Journal of Financial Intermediation*, January 2013, 22(1), 55-84.
- Visiting Professor – University of New South Wales, Australia, February 2012- April 2012
- Visiting Professor – University of Auckland, New Zealand, November 2011- February 2012
- Visiting Professor – Victoria University of Wellington, New Zealand, October 2011 – November 2011
- Chair, Department of Finance, Insurance, and Real Estate: August 2007- August 2010
- Visiting Professor, Universidad Panamericana, Guadalajara, Mexico, Summer 2008

- Visiting Academic Scholar, Securities, and Exchange Commission: August 2004 - December 2005
- Visiting Professor, Bocconi University, Milan, Italy, Summer 2001 & Summer 2002
- Visiting Associate Professor, The University of Michigan, Ann Arbor, Michigan: Fall 1996 & Fall 1997
- Graduate Coordinator (Ph.D. Program in Finance): 1998 – 2004, and 2006 to 2007
- Teacher of the year award. Warrington College of Business, 2002.
- BankAmerica Professor: August 2000- August 2011
- Emerson-Merrill Lynch Chair: 1998 -2000
- Barnett Bank Faculty Fellow: 1993-98
- Dykstra Fellowship, awarded for demonstrated skills at teaching, University of Michigan, 1989-90
- Thomas William Leabo Memorial Award, awarded for high academic standing and commitment to the teaching profession, University of Michigan, 1988-89
- Rodkey Fellowship, University of Michigan, 1986-88
- Doctoral Consortium Fellow, Financial Management Association, 1989
- FMA Competitive paper award in investments sponsored by the American Association of Individual Investors, 1994. The award was for the paper titled "Changes in Trading Patterns Following Stock Splits and their Impact on Market Microstructure: Theory and Evidence," co-authored with A. Desai and S. Venkataraman.
- The best paper in the Journal of Financial Research award, 1998. "Changes in Trading Patterns Following Stock Splits and their Impact on Market Microstructure: Theory and Evidence," co-authored with A. Desai and S. Venkataraman.
- Member Beta Gamma Sigma

GRANTS AND SPONSORED RESEARCH

- Visiting Associate, London School of Economics, Systemic Risk center, August 2019 – November 209.
- Visiting Academic Scholar at the Securities and Exchange Commission under an IPA agreement. August 2004 – December 2005**.**
- University of Florida, Division of Sponsored Research, Research Support Program for New Faculty (DSR-D) grant for 1990-91.
- University of Florida, Division of Sponsored Research, Graduate Research Assistantship Program (DSR-B) grant for 1994-95.
- The Real Estate Research Institute grant, 1999, "Estimating Returns on Commercial Real Estate: A New Methodology Using Latent Variable Models," with Andy Naranjo.
- Summer Research Grant, Warrington College of Business Administration, University of Florida, 1991-2016.

PUBLICATIONS (Refereed)

- "Bid-Ask Spread: Theory and Empirical Evidence," with G. Petrella," forthcoming, The Oxford Research Encyclopedia of Economics and Finance. Oxford University Press.

- "CVaR-LASSO Enhanced Index Replication (CLEIR): Outperforming by Minimizing Downside Risk," with B. Gendreau and Y. Jin, and X. Zhong, 2019. The Journal of *Applied Economics*, V 51 (52), 5637-5651.
- "Informational Linkages between Dark and Lit Trading Venues," with Sugata Ray. *Journal of Financial Markets*, 2014, Elsevier, col.17©, pages 230-261.
- "The 2007-09 Financial Crisis and Bank Opaqueness, "with Mark Flannery and Simon Kwan, *Journal of Financial Intermediation*, January 2013, 22(1), 55-84. Received the Stuart Greenbaum Award for the "Most Significant Paper" Published in JFI during 2013.
- "Margins and Hedge Fund Contagion," with Evan Dudley, the *Journal of Financial and Quantitative Analysis*, Vol. 46, pp. 1227-1257, Oct. 2011.
- "Are Institutional Investors Really Prudent Investors? The Effect of Fiduciary Standards on Institutional Holdings of (Non-) Dividend-Paying Stocks," with Kristine Watson Hankins and Mark Flannery. *Financial Management*, Vol. 37, Issue 4, Winter 2008, pp 647-671.
- "Do Today's Trades Affect Tomorrow's IPO Allocations?" With Jay Ritter and D. H. Zhang, the *Journal of Financial Economics*, v 84, 87-109, April 2007.
- "Market Evidence on the Opaqueness of Financial Firms' Assets," with Mark Flannery and Simon Kwan, the *Journal of Financial Economics*, v 71, pp. 419-460, March 2004.
- "Market Structure and Trader Anonymity: An Analysis of Insider Trading," with Jon A. Garfinkel, *Journal of Financial and Quantitative Analysis*, v 38 n 3, pp 591-610, September 2003.
- "Do Thinly-Traded Stocks Benefit from Specialist Intervention?" With Giovanni Petrella, Presented at the conference on "Future of Stock Exchanges in a Globalizing World" in Toronto, August 2002. The *Journal of Banking & Finance,* v 27 n 9, 1823-1854, September 2003.
- "Time Variation of Ex-Dividend Day Stock Returns and Corporate Dividend Capture," with A. Naranjo and M. Ryngaert, *Journal of Finance,* v55 n5, pp 2359-2374, October 2000.
- "Estimating Returns on Commercial Real Estate: A New Methodology Using Latent Variable Models, with D. Ling and A. Naranjo, *Real Estate Economics*, v28 n2, pp 205-231, summer 2000.
- "The Impact of Government Intervention on Transactions Costs in Foreign Exchange Markets," with A. Naranjo, *Review of Financial Studies,* v 13 n 2, Summer 2000.
- "Stock Returns, Dividend Yields, and Taxes," with A. Naranjo and M. Ryngaert, *Journal of Finance*, v 53 n 6, December 1998.
- "Changes in Trading Activity Following Stock Splits and Their Effect on Volatility and the Adverse Information Component of the Bid-Ask Spread," with A. Desai and S. Venkataraman, *Journal of Financial Research*, v 21 n2, Summer 1998. Best paper published in *the Journal of Financial Research award*, 1998.
- "An Unobserved Component Panel Data Model to Study the Effects of Earnings Surprises on Stock Prices, Volume of Trading and Bid-Ask Spreads," with G. S. Maddala, *Journal of Econometrics*, v 68 n 1, July 1995.
- "Estimating the Effects of Information Surprises and Trading on Stock Returns Using a Mixed Jump Diffusion Model," *Review of Financial Studies*, v 7 n 3, Fall 1994.
- "Trading Volume and Transactions Costs in Specialist Markets," with T. George and G. Kaul, *Journal of Finance*, v 49 n 4, September 1994.
- "Estimation of the Bid-Ask Spread and its Components: A New Approach," with T. George

and G. Kaul, *Review of Financial Studies*, v 4 n 4, November 1991.

- "Components of Short Horizon Individual Security Returns," with J. Conrad and G. Kaul, *Journal of Financial Economics 29*, October 1991.
- "Price Reversals: Bid-Ask Errors or Market Overreaction?" with G. Kaul, *Journal of Financial Economics 28*, March 1991.

Conference Proceedings and Other Publications

- "Market evidence on the opaqueness of financial firms' assets," with Mark Flannery and Simon Kwan, *33rd Annual Conference on Bank Structure and Competition Proceedings*, May 1997.
- "Sources of stock return volatility," with Min Zhu, *American Statistical Association Proceedings*, 1997.
- "Errors in variables problems in finance," with G. S. Maddala, *Handbook of Statistics, Vol. 14, Statistical Methods in Finance (Ed. G. S. Maddala and C. R. Rao)*, Elsevier Science, 1996.
- "Roll Model," *Encyclopedia of Quantitative Finance, Vol. 4, pp. 1597-1598*, February 2010, Wiley

WORKING PAPERS

- "Toxic Hedging," with Khaladdin Rzayev, and Satchit Sagade, 2020.
- "Information Efficiency of Cryptocurrency Markets," with L. Qiu, P. Pathak, and M. Petryk, 2020.
- "Informational Value of U.S. Securities Registration: Evidence from Secondary Public Offerings, 1993-2017," with Cindy. R. Alexander, and Lori Walsh, 2020. Working paper.
- "Informed Trading in Options and Stock Markets: OSPIN Model," with S. Ray, Y. Jin, and N. A. DeRobertis, 2020. Working paper.
- "Corporate Bond Market Transparency: Network Externalities and Competition," with A. K. Edwards and S. Nikolova, 2019. Working paper.
- "Using ETF Premia to Measure Corporate Bond Liquidity," with Mark Flannery, Sugata Ray, and Amir Yousefi, presented at the FMA Asia (2018) and FMA Europe (2018).

CITATIONS - Google Scholar

- All – 3399 (8/2020)

TEACHING EXPERIENCE

University of Florida, Warrington College of Business Administration

Undergraduate Courses

- *Financial Management*: Capstone course for undergraduate finance majors. The topics covered include investment, financing, and payout decisions. The course uses a combination of cases and lectures to link financial theories to practical applications.
- *Equity and Capital Markets* - Structure and operation of stock markets, portfolio theory, asset pricing models, stock valuation, and construction, management, and performance evaluation

of portfolios.

- *Investments* -Derivative Securities: Structure and operation of options and futures markets, valuation of options and futures, and the use of options and futures for hedging, speculating and arbitrage.

MBA Courses

- *Asset Valuation, Risk, and Return* – Basic financial concepts, such as time value of money, valuation of stocks and bonds, asset pricing models, financial statements.
- *Capital Structure and Risk Management* – Capital budgeting, capital structure, payout policies, M&A, and risk management.
- *Securities Trading* – Structure of securities markets, broker/dealer intermediaries, and managing the transaction costs associated with trading. Trading simulations are used to give hands-on experience in making trading decisions in different market structures.
- *Derivative Markets* - Valuation of derivatives, hedging market risk, applications of derivatives for risk management, and financial engineering.

Ph.D. Courses

- *Econometrics of Financial Markets:* Statistical properties of stock returns, security price performance, tests of market efficiency, tests of asset pricing models, theoretical and empirical research in finance.
- *Market Microstructure:* Models of the informational role of prices; Market structures (Quote driven and order-driven markets and dark pools); Determinants and estimation of bid-ask spreads and other measures of liquidity; Impact of HFT and Algorithmic trading on market microstructure; Market fragmentation; Market transparency; Asset opacity/liquidity and corporate policies; Financial databases.

Executive and Internet MBA Programs

- *Principles of Finance* – Managers MBA
  - Portfolio theory, asset pricing, valuation of stocks and bonds, derivative markets.
- *Corporate Finance* - Executive MBA and Online MBA
  - Investment, financing, payout, risk management, and M&A. The course uses a combination of cases and lectures to link financial theories to practical applications.
- *Investments* – Professional MBA
  - Securities markets, portfolio theory, securities analysis & valuation (debt, equity, & derivatives), and portfolio management.

The University of Michigan, Ann Arbor, Michigan, Visiting Associate Professor

- Fall 1996, *Corporate Financial Theory* (MBA)
- Fall 1997, *Investments* (MBA)

Bocconi University, Milan, Italy--Visiting Professor

- Summer 2001 and 2002, *Market Microstructure* (Ph.D. Seminar)
- October 2015 – Masters Level Course on Securities Markets

Universidad Panamericana, Guadalajara, Mexico, Visiting Professor
- Summer 2008, *Derivative Products* (Executive MBA Course)

Victoria University of Wellington, Victoria International Applied Finance Program, Visiting Professor
- September 2011, Hedge Funds (Graduate Students)

Australian School of Business, University of New South Wales, Sydney, Australia, Visiting Professor
- February 2012 – April 2012, Ph.D. Workshop, Market Microstructure

Universita Cattolica del Sacro Cuore, Milan, Italy--Visiting Professor
- October 2015, *Market Microstructure* (MSF)

EDITORIAL
- Associate Editor - The Journal of Financial Markets, 1997-2015.
- 1990 to present - ad hoc reviewer for the following journals
  - Financial Review, International Review of Economics and Finance, Journal of Economics and Business, Journal of Finance, Journal of Financial and Quantitative Analysis, Journal of Financial Intermediation, Journal of Financial Research, Journal of Financial Services Research, Journal of Financial Stability, Journal of Futures Market, and the Review of Financial Studies.
- Reviewed Radcliffe's Investments text (3 rd. ed.) for Harper Collins College Publishing, 1993.
- Reviewed manuscripts for the JFI sponsored conference, 1994.
- Coordinated the review and selection of manuscripts submitted for presentation at the Symposium on Market Microstructure and the Design of Financial Systems. The symposium was organized by the finance group at the University of Amsterdam, in collaboration with the Journal of Financial Intermediation and the Banking Research Center at Northwestern University (responsible for 21 papers), 1995.
- Reviewed Radcliffe's Investments text (4 Th. ed.) for Harper Collins College Publishing, 1995.
- Reviewed three chapters of the manuscript Derivative Securities by Robert Jarrow and Stuart Turnbull for Southwestern College Publishing, 1995.
  Reviewed manuscripts submitted for presentation at the WFA in 2017.

MEMBERSHIP AND ACTIVITIES IN THE PROFESSION

Membership of Professional Organizations
- American Finance Association
- Financial Management Association
- Western Finance Association

Conferences Attended/Participated

- Presented papers:
  - University of Michigan (1996), Emory (1999), University of Alabama (2002), Virginia Tech (2002), and University of Houston (2002), University of Missouri (2005), Victoria University(2011), University of Canterbury (2011), Massey University (2011), University of Auckland (2012), University of New South Wales (2012), United States, Securities and Exchange Commission (2012), Babson University (2014)
- MTS Conference in Rome (2007)
- FMA USA Meetings
  - Session coordinator: 1996, 1997, 2001
  - Discussant: 1991,1994, 1999
  - NAPA, 2016
- FMA Europe Meetings
  - Presented paper: 2016, 2018
  - Discussant: 2005, 2007, 2018
- Southern Finance Association, 1991 (Discussant)
- WFA Meetings, 1991, 1996, 1998 (Discussant), 2005, 2017
- American Finance Association Meetings, 1990- - present (Various times, recruiting)
- New York Stock Exchange, Academic Day on the Trading Floor Program, New York, 1994
- Fifth Annual Conference on Financial Economics and Accounting and the Third Mitsui Life Symposium on Global Financial Markets, University of Michigan, 1994
- National Conference on Finance Ethics, University of Florida,1995(Session Chairman)
- Symposium on Market Microstructure and the Design of Financial Systems, Sponsored by JFI/BRC and the Finance Group at the University of Amsterdam, Northwestern University, 1995
- Symposium on the Organization of Financial Trade and Exchange Mechanisms, Indiana University, 1995 (Discussant)
- Attended a 2-day workshop hosted by the TLT Group and Wake Forest University on the applications of information technology to the teaching/learning process, 1998
- Attended a one-day seminar sponsored by NASD for faculty, 1998
- Journal of Financial Management-Yale International Center for Finance Market Microstructure Conference, April 28, presented a paper
- Chinese Academy of Finance and Development, Central University of Finance and Economics, Presented a paper, Summer 2008
- Shanghai University of Finance and Statistics Conference, Discussant, Summer 2008
- Discussant at the FIRS meeting in Prague, summer 2009

SERVICE

- Chair, Department of Finance, Insurance, and Real Estate: August 2007- August 2010
- Ph.D. coordinator for the Department of Finance, Insurance, and Real Estate, 1998-2004,

2006- 2007, and 2013-present.
- Member of the University of Florida Student Conduct Committee (1993-96)
- Minority Mentor Program (1994-95)
- Coordinator for the Department's Web Page (1996)
- Member of the College of Business Information Resources Committee (1996-97)
- Member of the Business School's Graduate Studies Committee, 1998-2004 & 2006-2007
- Member of the University of Florida Graduate Council, 2016-2018
- Member of the Warrington College of Business DBA committee 2016-2019

PROFESSIONAL EXPERIENCE AND CONSULTING

- *Section Leader,* Mining Industry Technical Services, Zambia Consolidated Copper Mines Ltd., Zambia, 1980-84. Managed the mining industry statutory inspection services section.
- *Engineer*, Sri Lanka Petroleum Corporation, Sri Lanka, 1974-80.
- United States Securities and Exchange Commission (SEC), Consulting (IPO litigation)
- Davis Monk and Co., Consulting (Employee stock options)
- Freddie Mac, Consulting (Employee Stock Options)
- United States Securities and Exchange Commission (SEC)/OEA, consulting (Employee Stock Options, Regulation 12(g)), 2006 – 2010.